INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

S-E-C-R-E-T

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COUNTRY Hungary

SUBJECT Dunai Vasmü (Danube Steel Works), Dunapentele (plant description, manpower and history of construction and difficulties)

REPORT

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report concerning the Dunai Vasmü (Danube Steel Works) at Dunapentele (Sztalinvaros). The report gives information on the planning of the enterprise and the history of its construction, including information on difficulties encountered. Descriptions are given of the various sections of the enterprise and the report includes a sketch, with explanatory legend, showing the layout of the enterprise.

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1. According to the Three Year Plan of 1949 and the ensuing Five Year Plan, Hungarian steel production was to increase from its previous annual level of about 550,000 tons to 2.2 million tons. The Dunai Vasmu Steel combine in Dunapetele was to supply one million tons of this amount, while plants in Csepel, Ozd, Diosgyor, Esztergom, Pecs and Szekesfehervar were to supply the remainder. To meet this target, the capacity of the blast furnace at Ozd was expanded to 700 cubic meters, and a new blast furnace of similar capacity was under construction in early 1957. Diosgyor was also to have another 700 cubic meter blast furnace, while the Csepel furnaces were scheduled to be enlarged. Dunapetele will eventually have two 700 cubic meter furnaces; however, only one was in operation in early 1957, while the other was under construction by the Mavag Works.

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2. The Dunai Vasmu combine, which is still expanding, has been built according to Soviet specifications. The coking plant was designed by Giprokoks, Kharkov, USSR, and the plans were adapted to local conditions by a planning firm in Buda. Building Trust No. 26 supervises the construction.

3. The combine has 4,500 employees, of whom 800 are in the coking plant. It is supervised by the Ministry of Metallurgical and Machine Industries, and is headed by a central administration controlling the ten divisions of the plant. The combine is composed of the following:

   a. The coking plant

   b. The iron foundry, composed of: one blast furnace of 700 cubic meter capacity (Negykoho); two gas cleaning installations employing for that purpose electric currentl of 75.000 V each; the plant for pumping cooling water for the furnaces. The equipment for the pumping station was supplied by the Ganz Works. The water is taken from the Danube and led through 1,000 millimeter pipes to huge storage tanks and then is piped to all parts of the plant through 300 millimeter pipes.

   c. A Siemens-Martin plant, which will be composed of four Siemens-Martin converters. Although three converters were ready by April 1957, only two were in operation because of a shortage of scrap iron.

d. A thermal power plant, which supplies current to the entire combine, the town proper, and to the general network. The plant has four turbines of 15-20,000 kwh, and one of 4,900 kwh, all made by the Lang Plant at Budapest. The turbines are fed from six boilers which, in addition, supply steam to all parts of the combine. The boilers are stoked partially with coal coming directly from mines and partially with coal residue of high ash percentage from the coal washing plant. The plant also has a water softening installation.

e. A plant for manufacturing machine and machine parts which comprises a small foundry (Gepgyar Es Kiskoho). This plant is charged with supplying the combine with required machinery and spare parts, and it also works for other plants. Its equipment consists of: two electric furnaces for casting machine parts; a mechanical workshop for finishing the cast parts; an iron plate processing workshop using raw material from Lorinci Hengermu, Diosgyor, Csepel and Ozd. The plant also has a locomotive repair shop, a carpentry shop, and a shop for the manufacture of foundry patterns.

f. A maintenance team (karbantarto reszleg) for the entire combine.

g. The central laboratory, which is located near the machinery production plant administration, together with a small foundry. The laboratory tests the resistance and strength of various materials used by the combine.

h. The stores and transport administration, which arranges, through a special service (Diszpecseri Szolgalat) for the transportation and forwarding of raw materials and of finished goods. The administration also controls all stores in the area of the combine, building materials, new machines not yet put into operation, obsolescent equipment, foodstuffs, clothing, the automobile repair shop, and the trucks belonging to the combine. The administration has the following vehicles and equipment: 150 three to five ton trucks; one locomotive for shunting inside the plant; six mobile cranes moving on railroad lines inside the plant with a capacity of 60 (sic) tons each, three of which are new Soviet products (each mobile railroad crane has two railroad freight cars attached to it); and five 3-ton and two 2-ton crances mounted on truck undercarriages.

i. The building and construction administration, which has a crew of mechanical, electrical, and building engineers. This administration also has sections dealing with the coking plant, the power supply, and with matters pertaining to Siemens-Martin converters.

j. The rolling mill (thick and thin gauge) division has not yet been established and exists only on paper; as of early 1957 there were no indications that it was about to be inaugurated. Part of the machinery and equipment were sent from the USSR in 1955 and put into storage. The site for its establishment has already been allotted south of the central administration building, towards the town. Construction, equipment and assembling expenditure are estimated at 1,000 million forints.

4. The coking division, the most important component, is composed of the following three principal sections:

a. The oven battery: Each battery is composed of 55 ovens, each 0.43 meters wide and 15 meters high, with a capacity of 15 tons. One battery was put into operation in June 1956, while the second battery has not yet been established, although its site had already been allotted and fenced in adjoining the first battery. The necessary special bricks were supplied by the USSR in 1954. The plant also stipulates two additional coking batteries, but under present circumstances this would appear a long range plan.

b. An installation for coal washing.

c. The chemical division for processing coal by-products.

In accordance with the original plan, the coking division supplys coke to the iron and steel divisions of the plant.

5. The coking division has been plagued with difficulties since its inception. According to the Giprokoks plant, the Komlo mines were to supply 85 percent, and the Pecs pits the remainder of the requisite 1,900 tons of coal a day, which was to yield 1,282 tons of coke. The quantity had been determined by qualitative analyses of Komlo samples which were conducted at the Budapest Gas Works, as well as in other laboratories. The tests revealed that the ash content, 18.3 percent, was reduced to 12 percent after the coal washing process and, therefore, 100 kilograms of coal would be converted into 63 kilograms of coke, and 37 kilograms of gas and chemicals. The samples, however, did not accurately reflect the composition, for it was subsequently discovered that the ash content was 25.4 percent, and that, moreover, 100 kilograms of Komlo coal yielded only 39 kilograms of coke. Consequently, 3,300 tons of coal were actually required daily to meet the plan.

6. Since the plant had serious difficulties in obtaining suitable coking coal in August 1956, the government attempted to import Czech and Polish coal with a lower ash content than the Komlo mineral. Although negotiations were to be held in Moscow under Soviet supervision. in September and December 1956, and in March 1957, the Czech and Polish delegates never arrived, giving rise to rumors that their countries would not supply coal to Hungary.

7. Consequently, Hungary turned to Yugoslavia, and successfully obtained 200,000 tons of U.S. coal (3.5 percent ash) at 34 dollars a ton c.i.f. Rijeka loaded in railroad cars, with the Yugoslavs receiving a commission of one dollar a ton. Since part of the consignment arrived before the revolt, some degree of orderly operation was maintained by the coking installation until the Komlo mines were reopened in March 1957. From the outbreak of the rebellion until that time only 22 or 23 of the 55 coking ovens were kept in operation, and the prerevolt level has not as yet been attained.

8. As of April 1957, Hungarian foundries relied on imported coking coal; local coal was used only for domestic coke (Haztarasi Koksz). The coal imported from the USSR covers only 25 to 33 percent of the requirements and, consequently, steel and machine production have declined considerably.

9. Insofar as other raw materials are concerned, the plan stipulated that 40 percent of the required iron ore would be supplied by the Soviet mines in Krivoy Rog, 28 percent would be imported from China, while the remainder was to be supplied by the Rudabanya mines. Local sources were to provide iron scrap for the Martin converters, while local quarries were to supply the requisite dolomite.

10. Until the outbreak of the revolt the Industrial Police (Iparoseg), which had been activated by the local AVH, supplied guards and gatekeepers for the plant's security. During the revolt the

force disbanded, and confusion reigned until the militia, reinforced by the Soviet garrison, former AVH members and loyal Communists, regained control of the combine in April 1957.[1] In the interim, individuals had entered and left the area, introducing and removing objects at will.

11. When the Soviet Army occupied the plant on 3 November 1956, workers and engineers dispersed. The blast furnace remained unattended for three days, and its temperature dropped so much that it will not long be serviceable, according to expert opinion. The Soviet advisors and staff who had been attached to the plant disappeared two days before the outbreak of the revolt and are not known to have returned.

12. The town of Dunapetele and the Dunai Vasmu Works are now run by the Soviet garrison commander, a Ukrainian lieutenant colonel who is a mining engineer. He rules the combine with the assistance of the general manager, a reliable Communist, and the chairman of the municipal council. Both men obey the commander blindly.

13. Soviet headquarters occupies part of the town hall. Soviet forces, composed of armored, field and artillery troops, occupy only the former Hungarian barracks, which were constructed in 1950 on the edge of Opentele, between the Budapest-Pecs highway and the Danube River, two kilometers from the latter.

[redacted]

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14. The following personalities are known:

a. Ambrus Borovszky [redacted]

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b. Robert Forbath [redacted]

c. Barnabas Fuzess, [redacted]

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d. Gyorgy Pesti

e. Pal Pilter

f. Endre Tomaschek

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g. **Bela Toth-Sarudy**

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h. **Laszlo Vida**

Legend

1. Battery of furnaces, operating
2. Battery of furnaces, planned only (fenced-in site)
3. Coke grading installation
4. Coking tower
5. Freight car unloading installation
6. Water reservoir
7. Water cleaning plant
8. Slime separator
9. Sedimentation tank
10. Pump
11. Coal drying installation
12. Coal washing plant
13. Coal grading and distribution plant
14. Coal breaking machine
15. 25 coal storage bins
16. Workshop of the coking and chemical divisions
17. General store
18. Coal transporting crane on the coal storage dump
19. Cooling tower
20. Pumping station
21. Transformer station
22. Turbo-sucking machine for pumping 1,000,000 "normal" (sic - natural) gas
23 - 24. Transformer house

25. Coal distribution tower 60 meters in height

26. Gas cooling hydraulic installation

27. Five pre-cooling apparatuses

28. Electrical installation for cleaning the gas of butylene admixtures

29. Butylene tank

30. Bitumen distillery

31. Ammonium sulfate plant

32. Installation for production of liquid lime (Mesztej)

33. Two saturators

34. Phenol extraction plant

35. Dining and recreation hall

36. Post-cooling apparatus

37. Naphtalene sedimentation chamber

38. Laboratory

39 - 40. Diesel oil refinery

41- 42. Pumping station of the benzol catch basin

43. Benzol distillery

44 - 45. Sulfur rectifier

46. Gas cleaning installation

47. Transformer house

48. Compressor house

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1. Date as received.

2. In November 1956 the HWP (Hungarian Workers' Party) was reconstructed as the MSZDP (Hungarian Socialist Workers' Party).

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